

**SOUTH CAROLINA STATE BOARD FOR
TECHNICAL AND COMPREHENSIVE EDUCATION
ENTERPRISE ZONE JOB RETRAINING PROGRAM**

POLICIES AND PROCEDURES

January 1, 2015

THE RETRAINING CREDIT

INTRODUCTION

The retraining credit's purpose is to assist qualified companies in retraining its employees so that the company can remain competitive or introduce new technologies. The Enterprise Zone Act of 1995 and 2014 revisions supports qualifying businesses to recoup eligible training cost when expending at least one dollar fifty cents on retraining employees for every dollar claimed as a credit against withholding for retraining. The training rebate cannot exceed \$1,000 per "production" employee or technology employee per year, or exceed \$5,000 for 5 years. To "remain competitive" means specific training that will have a documented end such as increasing the efficiency factor, gaining new skills, enhancing the skills of employees to take existing equipment to a higher productivity level, acquiring new equipment, or implementing new products or processes.

The retraining must be approved by and performed or administered by the technical colleges under the jurisdiction of the State Board for Technical and Comprehensive Education (SBTCE) serving the designated enterprise zone. The technical college may provide the retraining program delivery directly, contract with other training entities to accomplish the required training outcomes, or supervise the employer's approved internal training programs.

Effective January 1, 2015, the Enterprise Zone Act will require a \$250 annual renewal fee for companies participating in the Job Development Credit Retraining (or Retraining Program) and will be billed and collected by the SC Department of Revenue (DOR). Active Retraining Agreements are those that have not been formally withdrawn, terminated, or closed-expired. The fee is due on a per project basis.

QUALIFYING BUSINESS

The retraining credit's purpose is to assist qualified companies in retraining its employees so that the company can remain competitive or introduce new technologies. Eligible businesses and industry include existing South Carolina companies engaged in:

- Manufacturing*
- Processing Operations
- Technology Intensive Facilities**

*The Enterprise Zone Program allows for retraining for all relevant employees that enable a company to export or increase its ability to export its products, including training for logistics, regulatory, and administrative areas connected to its export process and other export process training that allows a qualified company to maintain or expand its business in this State. (Out of country)

**The Enterprise Zone Program includes qualifying "technology intensive facilities." A "technology intensive facility" is defined as a firm engaged in the design, development, and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge. [Section 12-6-3360M (14)] Included in this definition are the following North American Industrial Classification System (NAICS) codes published by the Office of Management and Budget of the Federal Government:

- Database and Directory Publishers- NAICS Code 5114
- Software Publishers- NAICS Code 5112
- Computer Systems Design Services & Related Services- NAICS Code 54141
- Custom Computer Programming Services- NAICS Code 541511
- Space Research and Technology- NAICS Code 9271
- Research and Development in the Physical, Engineering and Life Sciences- NAICS Code 541712 (2007)
- Data Processing, Hosting, and Related Services- NAICS Code 518210
- Facility primarily used for one or more activities NAICS Codes 51811 (2002)
(Internet Service Providers and Web Search Portals)

QUALIFYING POSITIONS/EMPLOYEES

The training incentive applies to full-time production or technology first line employees or immediate supervisors who have been continuously employed by the business for a minimum of two (2) years. A “production employee” is defined as an employee “that is directly engaged in the actual making of tangible personal property or is directly involved in the manufacturing and processing facility.” [Section 12-10-30(14)] A “production employee” includes the production line employees, first-line supervisors, and equipment/maintenance technicians. A technology employee is defined as an employee at a technology intensive facility who is directly engaged in the design, development and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge at a technology intensive facility.

INITIAL JOB TRAINING

Initial job specific training for newly hired employees is not eligible for the retraining incentive. An employee cannot be re-trained on a job until they have first been trained to begin the job. Employees eligible for retraining incentives include employees who:

- Have completed the first 24 months of employment.
- Are officially on the company’s payroll and are offered benefits package, including healthcare.
- Are permanent employees; not temporary contract workers.

PROJECT QUALIFICATIONS

Training must be necessary for the business to remain competitive or introduce new technologies. Training that directly supports the company’s ability to remain competitive or teaches employees to function more effectively, with new equipment or new processes, is eligible.

Retraining programs that are eligible for the credit include, but are not limited to:

- (a) retraining of current employees on newly installed equipment; and
- (b) retraining of current employees on newly implemented technology, such as computer platforms, software implementation and upgrades, Total Quality Management, ISO 9000, and self-directed work teams.

Executive training, management development training, career development, personal enrichment training, and cross-training of employees on equipment or technology that is not new to the company are not eligible for the credit.

APPLICATION PROCEDURES

APPLICATION

All projects must apply to the SBTCE with the assistance of the technical college within the appropriate service area in the Enterprise Zone Retraining Program. The application remains in effect for five (5) years. After the five year period, a new application must be submitted. In addition, if the scope of the training changes, a new application must be submitted. The application packet must be submitted to the technical college and include the following:

- ✓ Application
 - Training Proposal
- ✓ Training Plan (*Attachment 1*)
- ✓ Course Outline for each course (*Attachment 2*)
 - If OJT, Attachment 3 is also required at the conclusion of training
- ✓ Accompanying Letter (*from the technical college*)

Prior to the application being submitted to the SBTCE for approval, applicants must work with the technical college within the service area to develop a specific training plan. The technical college will assist the company in developing a comprehensive, yearly training plan that will meet the SBTCE criteria. The technical college will develop and deliver existing or customized training for the company; however, if this option is not applicable, the technical college may contract with other training entities to accomplish the desired training outcome. The technical college must approve the company's training plan and submit it along with the accompanying letter to the SBTCE at the address below:

State Board for Technical and Comprehensive Education
Attn: Enterprise Zone Retraining Program Administrator
111 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

The SBTCE will approve the application and training plan and determine eligibility and accuracy for compliance with the Enterprise Zone Act Legislation and program guidelines. The SBTCE has the discretion to approve the application in whole or in part. The SBTCE will assign an effective approval date, at which time, retraining may be delivered by the technical college or submitted to the technical college, and the company may begin requesting refunds. An approval letter will be sent to the company and the technical college from the Vice President of Economic and Workforce Development.

RENEWAL PROCESS

Every year the company must submit their “Renewal Training Plan” to the college for review and both the company and college will sign off on that plan for the upcoming year. If there are changes being made from their existing training plan then Attachment 4 will be required. If that change includes OJT, then Attachment 3 is also required. Once the college has signed off and reviewed the “Renewal Training Plan,” it will be submitted to the SBTCE for approval. An approval letter from the SBTCE will be sent to the company and technical college. The Department of Revenue will bill and collect \$250 for those projects continuing each year.

SBTCE will notify the Department of Revenue (DOR) of the company’s qualifying status for the retraining program, thus allowing the project to begin claiming retraining credits immediately.

ROLES & RESPONSIBILITIES FOR TECHNICAL COLLEGES

The technical college’s role and responsibilities include, but are not limited to:

- Approve applications and renewals
- Send accompanying letter
- Review and approve course outline and training plan
- Review and approve course additions/revisions
- Supervise company’s internal training program
 - Provide Train-the-Trainer and/or approve instructor’s credentials
- Conduct annual review with the company on their training plan

ADMINISTRATIVE FEE

The technical college may charge an administrative fee up to 20% based on the rebate amount earned by the company. The fee is separate from training cost and cannot be used in the company reaching the \$1.50 amount (per employee) to qualify for the re-training credit. The amount charged will be based on services provided to the company. Factors to consider in determining the amount of fee include: Complexity of project, volume of business, and services provided.

The chart below provides guidance in determining fee calculation.

College provided training	Up to 5%	Basic approval & reviews
Internal Company Training Program (basic)	10%	Basic approvals, review & supervise
Internal Company Training Program (complex)	Up to 20%	Basic approval, review & supervise. Other services i.e.: Company paperwork, spreadsheet, coordinate & schedule training

GENERAL PROGRAM INFORMATION

ON-THE-JOB TRAINING

On-the-job training (OJT) consists of an instructor working with one (1) or more trainees operating production equipment which they are solely responsible for. Whereas, hands-on training is an instructor working with one (1) or more trainees on equipment, but an independent/different operator is responsible for the job.

For specialized training components such as those required on high tech processes so unique to a company and its equipment that neither the technical college nor a third party is capable of providing the training, employees of that company may qualify as on-the-job instructors if:

- OJT will be documented and structured using written training plans that define learning objectives, learning activities, methods of assessment that learning outcomes have been achieved, and timeframes (beginning and ending dates).
- OJT training will be related to a new line of equipment or new process being introduced to enhance productivity.
- OJT will be relevant to remaining competitive.
- Company provided trainers will have completed an approved Train-the-Trainer course and be technically proficient or qualifications approved by the technical college.
- Core competencies or learning outcomes will be clearly developed for the OJT training hours.
- OJT training related to normal routine cross training, new hire training, or normal professional development progression training for employees is prohibited.

WITHHOLDING TAX

Withholdings may not exceed \$1000/year per production employee or technology employee or \$5,000 over a five (5)-year period for an individual employee. The refund for training is based upon the cost of instruction. Direct costs of retraining include instructor salaries, development of retraining programs, purchase or rental of materials and supplies, textbooks and manual, instructional media, such as video tapes, presentations, equipment used for retraining only (not to include production equipment), and reasonable travel costs as limited by the state's travel expense reimbursement policy.

When travel is necessary for the training, it needs to be included in the course outline (attachment 2) or the course addition/revision request (attachment 4) and discussion with SBTCE prior to travel occurring.

NOTE: When using an in-house trainer, the cost of the trainer is calculated based on the average wage of the employee excluding fringe benefits.

CLAIMING RETRAINING INCENTIVE PROCESS

1. The SBTCE and the technical college approve the Application for Qualification of Enterprise Program Retraining Incentives.
2. The SBTCE and the Company enter into a final Retraining Agreement.
3. The SBTCE notifies the Department of Revenue that the company is allowed to request a refund for **eligible** courses and jobs under the Retraining incentive.
4. The Department of Revenue sends the company appropriate quarterly and fourth-quarter annual tax return forms—**WH-1605Z** and **WH-1606Z**, respectively.
5. The company contracts **and pays for** courses per invoices from the company's associated technical college or for internal training maintains and provides necessary records to support retraining request.
6. The company submits quarterly tax return, **WH-1605Z**; to the Department of Revenue stating the total amount of withholdings it has submitted as well as the amount of retraining credit/refund it. (line 2d and line 5)
7. The Department of Revenue will issue a refund check to the company, which will take up to 90 days.

COMPLIANCE

After meeting all the requirements of SBTCE, the company may proceed with training. All money due to the technical college will be paid in full and on time. The company will send the SC Department of Revenue the quarterly employee withholding reconciliation report (WH-1605Z), which will include the amount the company is due from its employee withholdings on line 2(d) and on the refund line (5). The company must expend at least one dollar and fifty cents (\$1.50) in retraining eligible employees for every one dollar (\$1.00) claimed as a credit against withholding for retraining. All training costs in excess of the retraining credit are the responsibility of the company. The credit may not exceed \$1000 per calendar year and \$5,000 per qualified employee in a five (5)-year period. The Department of Revenue will issue a check to the company. The company is responsibility for requesting the proper amount to be returned from the Department of Revenue.

The training and the withholding must occur in the same calendar year, and the refund should be requested in the same quarter as the training occurs. It is extremely important that the company not delay in gathering data and submitting it on the quarterly report.

NOTE: Remember to track the cost of training by the individual, so as to be sure of the amount of withholding you are entitled to have returned. Individual employees must be tracked to be sure authorized monies are being used as the SC Code provides. This tracking is also to ensure that adequate, but not excessive monies are being requested based on actual training costs. Please be sure to keep all invoices, etc. for the report.

REPORTING REQUIREMENTS

All requests for course additions/revisions to the training plan must be submitted to the technical college for approval by SBTCE. ***Please note that the technical college and the SBTCE must approve all requests for course additions/revisions prior to the training being conducted.***

By June 30th of each year, an annual report must be submitted to the SBTCE, summarizing retraining credits claimed during the prior calendar year. All companies--*regardless of the amount claimed*--must do the following:

1. Perform an internal audit of compliance to determine whether the amount claimed each quarter was correct and identify any amendments that may need to be made to the credit claimed;
2. Complete the annual report;
3. Review and sign the Company Assertions Regarding Compliance ; and
4. Submit the annual report and the Company Assertions Regarding Compliance to SBTCE by **June 30th**.

The mailing address for the annual report is:

**State Board for Technical and Comprehensive Education
Attn: Enterprise Zone Retraining Program Administrator
111 Executive Center Drive
Columbia, South Carolina 29210**

RECORDS NEEDED FOR RETRAINING AUDIT

	Source:
•Copy letter of approval/renewal by SBTCE (Council) of Application & Retraining Plan	From SBTCE
•Copy of application for qualification of retraining incentives filed with SBTCE (Council)	From SBTCE
•Copy of approved training agreement and amendments	From SBTCE
•Copy of training program	From SBTCE
•List of approved courses	From SBTCE
•Copies of annual reports filed with SBTCE (Council)	DOR or SBTCE
•Copies of DOR Quarterly returns	DOR

Payroll and other records supporting eligible employees, approved courses, class roster, taxpayer dates, costs of classes, cost per employee, invoices, computation of retraining credits.

(Note: Tech System has developed a template used by many companies, access to this template will provide majority of data required. Sample of actual employee records, course costs, and invoices will be determined during audit and reviewed.)

If the company claimed more than \$40,000 in retraining credits during any calendar year, the Department of Revenue will invoice the company for \$1,000 to offset the Department of Revenue's cost of performing an audit. This fee will be invoiced regardless of whether the Department of Revenue audits the company that particular year. (Per the statute, the Department of Revenue is required to audit companies claiming in excess of \$40,000 at least once every three years, but the statute stipulates an annual audit fee of \$1,000 for every year that a company claims more than \$40,000.)

MERGERS

Following the merger, consolidation, or reorganization of a taxpayer, a retraining program implemented by the previous organization may continue subject to certain limitations. All of the qualifications and criteria for applicable programs listed in the statute will apply except for the requirement that employees must be employed for 2 years. Employees will be eligible for training if they have been continuously employed for 2 years, even if a portion of those 2 years was with the previous entity and a portion was with the new entity. Additionally, within 3 months of the merger, consolidation, or reorganization, the new entity must resubmit the retraining program to the State Board for Technical and Comprehensive Education for approval. The Department of Revenue will make the ultimate determination regarding applicability of the credit.

If a company's name and/or address have changed, the SBTCE must be notified and the DOR form SC8822 must be submitted to the Department of Revenue indicating the name and/or address change.

If a company's Federal Identification Number changes, a new Business Tax Application must be submitted to the Department of Revenue to request a new state withholding number. When the new withholding number has been given, the DOR form C-278 must be submitted to the Department of Revenue to close out the old account.

**SOUTH CAROLINA STATE BOARD FOR TECHNICAL AND
COMPREHENSIVE EDUCATION**

111 Executive Center Drive
Columbia, South Carolina 29210

**APPLICATION FOR QUALIFICATION
OF ENTERPRISE PROGRAM RETRAINING INCENTIVES**

(Revision Date: July 2015)

Under the Provisions of The South Carolina Enterprise Zone Act of 1995 as amended

Company Information

Name of Applicant (Legal Name of Company):	Federal Identification Number:
State Withholding Number:	Technical College:
Business Address of Applicant (Mailing Address):	Technical College Address (Mailing Address):
City, State, and Zip Code:	City, State, and Zip Code:
Telephone Number: ()	Telephone Number: ()
Contact Name and Title:	Contact Name and Title:
Email Address:	Email Address:

A. TYPE OF BUSINESS *(Check only one box.)*

- Sole Proprietor (SSN)
- Partnership/LLC
- C Corporation
- S Corporation
- Other (Specify): _____

<p>For SBTCE Use Only:</p> <p>TR#: _____</p> <p>County: _____</p> <p>Approval Date: _____</p>
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If Business is a Corporation, please list the state of incorporation: _____

B. BUSINESS INFORMATION

1. Nature of Business: (i.e. Specify manufacturing, processing, or technology intensive facility)

2. NAICS Code: _____

<http://www.census.gov/eos/www/naics/>

3. Does the company provide a benefits package to full-time employees at the South Carolina site that includes Health Care? Employees for whom the Retraining Credit is claimed must be offered health care.

YES

NO

4. Number of full-time employees at the site: _____

5. Number of full-time production employees or technology employees to receive training:

6. Do you currently have a Revitalization Agreement for Job Development Credits with the Coordinating Council of South Carolina? _____

RETRAINING PROJECT INFORMATION

A. PURPOSE OF RETRAINING: (Check all that apply.)

To Remain Competitive

Introduce New Technology

Introduce New Equipment

B. PROJECT DETAILS

1. Has your review been scheduled with the Technical College and SBTCE staff?

YES

NO

REPRESENTATIONS AND WARRANTIES

Except as reflected in adequate reserves or as stated in an attachment hereto, the Company hereby makes the following representations and warranties and acknowledges and agrees that such representations and warranties have been material to the SBTCE's determination that the Company is a qualifying business which meets the criteria of S. C. Code Section 12-10-50 and further agrees that such representations and warranties shall be true, accurate and complete as of the date of execution and delivery hereof and (where Job Retraining Credits are involved) as of the date of any claim of Job Retraining Credits.

To the best knowledge of the Company, there is no pending action or proceeding affecting the Company before any court, governmental agency or arbitrator which, in any case, may materially and adversely affect the financial condition, operations or business prospects of the Project or the Company as a whole, or which questions the validity of any Revitalization Document or any material action taken or to be taken pursuant thereto except as otherwise reflected in adequate reserves;

The Company is not in any material default (i) under its corporate organization or governing documents or under any statute, license, rule or regulation, (ii) under any order, writ, injunction, award or decree of which it has notice of any court, arbitrator, administrative agency or other governmental authority binding upon or affecting it by which any of its properties is bound or (iii) under any material indenture, mortgage, contract, agreement or other undertaking or instrument to which it is a party or by which it or its property is bound; and nothing has occurred which would materially adversely affect the ability of the Company to carry on its business or perform its obligations under any of the foregoing;

The Company possesses, or will possess prior to the date of the initial claim of the Job Retraining Credit, all licenses, permits, authorizations and rights necessary for the acquisition and operation of the project substantially as contemplated in this Application and, where applicable, the Revitalization Agreement, without any known material conflict with any rights of others;

All federal and South Carolina tax returns and reports of the Company required by law to be filed have been duly filed and all taxes, assessments, fees and other governmental charges upon the Company or upon any of its respective properties, assets, income or franchises which are due and payable pursuant to such returns and reports, or pursuant to any assessment received by the Company have been paid, other than those which may be presently payable without penalty or interest (except to the extent that any such tax or assessment is being contested in good faith and as to which adequate reserves have been set aside); and

The Company is not subject to any corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Company has or is expected in the future to have a material adverse effect on the business, assets, financial condition or business prospects of the Project or the Company as a whole; the Company is not a party to any contract or agreement which in the judgment of the Company has or is expected to have any materially adverse effect on the business of the Company as a whole, except as otherwise reflected in adequate reserves.

Date: _____

Applicant: _____

Signature: _____

Printed: _____

Title: _____

Phone Number: _____

CERTIFICATION AND SIGNATURE

Applicant hereby certifies under penalties of perjury that all information contained above and in addendums and exhibits attached hereto is true to his/her best knowledge and belief and are submitted for the purpose of obtaining financial assistance from the State of South Carolina through the State Board for Technical and Comprehensive Education.

Date: _____ Applicant: _____

Signature: _____

Printed: _____

Title: _____

Phone Number: _____

Subscribed and sworn to before me, a Notary Public in and for said County and State, this ___ day of _____, 20____.

My Commission expires: _____ Signature: _____

_____ Printed: _____

Resident of _____ County

State of _____

NOTICE TO APPLICANT

The evaluation and approval of this continuation application is solely at the discretion of the State Board for Technical and Comprehensive Education (SBTCE). The SBTCE reserves the right to request additional information.

The Company authorizes the SBTCE to share and release to the SC Department of Revenue, SC Department of Commerce and the local Technical College any information relevant to the request for Enterprise Program incentives and further authorizes the SC Department of Revenue to release to the SBTCE, SC Department of Commerce, and the local Technical College information about the request for Job Development Credits and the claiming of Job Development Credits. The information authorized for release by the Company includes any information that may be described in Section 12-54-240 of the code.

Companies must notify the SBTCE when any substantive changes occur in the ownership of company.

Approval of this Application by the SBTCE does not constitute entitlement to other Enterprise Program incentives. Jobs Development Credits, Fee-in-Lieu of taxes, & Special Source Revenue Bonds must be negotiated with the appropriate state and local officials.

Information provided in this Application to the SBTCE is subject to the South Carolina Freedom of Information Act, Section 30-4-10 et.al. of the South Carolina Code.

Enterprise Zone Retraining Proposal (Example)

«Company Name»

INTRODUCTION

- ✓ *Company History*
- ✓ *Location*
- ✓ *Line of manufacturing/products/product design or nature of technology intensive business*
- ✓ *Population/customers served*
- ✓ *The Company's overview of need*
- ✓ *How to service/stay competitive*

«Company Name» is applying for Enterprise Zone Retraining Incentives to aid in achieving our goals through employee training and development. We must stay competitive to keep our workforce fully prepared to manufacture and market high-quality equipment. This can only be achieved by continuous development of our associates through education and training.

Summarizes estimates, identifies and/or defines the company's general as well as specific needs for training now and into the near future, including, but not limited to:

- *A need to access the skill levels of any given element of production population (through first-line)*
- *A need to access and redistribute work responsibilities*
- *A significant change or shift in company processes and/or procedures*
- *An addition of new and/or unfamiliar equipment to the normal operational process*
- *A need for skills upgrade*
- *A workforce introduction to new technology*
- *An effort to comply with all safety rules and regulations*
- *All specific efforts designed to improve quality and production*

«Company Name» is committed to delivering the best product/service at the most competitive price. On-going training reinforces our commitment to:

- ❑ *Provide a safe work environment, therefore a productive environment.*
- ❑ *Deliver quality products on time and free of defect to our customers.*
- ❑ *Deliver products that perform exactly as specified and are environmentally safe.*
- ❑ *Deliver quality products designed to improve our customer productivity.*

Enterprise Zone Retraining Program TRAINING PLAN (Attachment 1)

Date: _____ Click here to enter a date.
 Company: _____
 Tracking Number: _____

Date	Course Title <small>List the course title for the short-term or long-term training program.</small>	Training Provider Technical <small>College, Vendor, Company, Other (describe)</small>	Delivery Method <small>Classroom, CBI, On-line, Lab, OJT*, Other *requires documentation</small>	Contact Hours	Justification <small>How does this training qualify?</small>

**Enterprise Zone Retraining Program
Course Outline (Attachment 2)**

- **Course Title:**
 - List the course title for the short-term or long term training program.

- **Training Provider:**
 - Technical College**
 - Company**
 - Vendor**
 - OJT (requires attachment 3)**

(Note: Prior to implementation of on-the-job training, submit this form along with a revised training plan. The training plan should define learning objectives, learning activities and methods of assessment to determine that learning outcomes have been achieved. At the conclusion of each training, submit attachment 3 which includes the roster and training timeframes (beginning and ending dates).

- **Estimated Number of Contact Hours:**
 - List the number of contact hours for the training program.
- **Course Description:**
 - Briefly describe the course that is being provided.
- **Training Modules/OJT Task List:**
 - List the titles of each learning module or OJT task list being provided in the course.
- **Core Learning Competencies/Outcomes:**
 - List the measurable core learning competencies/outcomes for the course. What will the student be able to do at the end of the short-term or long-term course?
- **Justification:**
 - How does this training qualify?

Course approved by:

_____ **Date:** _____
Company Representative

_____ **Date:** _____
Technical College Representative

**Enterprise Zone Retraining Program
On-the-Job Training Plan (Attachment 3)**

Company:		Qualified Trainer(s) Name:	
Course Title:			

Employee Name	Employee Number	Hours	Beginning Date	Ending Date

OJT Trainer/Coordinator

Date

College Representative

Date

Accompanying Letter–Example

(To be completed by the technical college)

January 1, 2015

State Board for Technical and Comprehensive Education
Attn: Enterprise Zone Retraining Program
111 Executive Center Drive
Columbia, South Carolina 29210

Dear «Title»«Last Name»,

In accordance with the South Carolina Enterprise Zone Act of 1995, I am transmitting an application for SBTCE consideration of Enterprise Zone Retraining incentives on behalf of «Company» in «City», «State». In accordance with the Act, «Technical College»] has assisted in developing the attached training plan and approved the established plan of both short and long-term courses.

Representatives of «Company» and «Provider» agree that the attached training plan identifies minimum essential retraining for production workers to remain competitive and to introduce new technologies.

[«Company» is a diversified global manufacturer of a broad range of equipment for the construction, infrastructure, quarrying, recycling, surface mining, shipping, transportation, refining utility, and maintenance industries.] or [«Company» is a technology intensive facility]

[«Technical College» recommends approval of the training topics conducted in-house by company personnel. The company has justified that these courses are specialized and unique to the company and that an employee of the company should conduct the training.] [This section is only necessary if there will be in-house training.]

Therefore, I approve this training plan and recommend approval of this «Company» application for approval for educational incentives. All parties will follow existing procedures or guidelines for assessment of need, evaluation of results and modification for improvement. Please direct further comments or concerns to me at (phone number).

Sincerely,

Enterprise Zone Course Addition/Revision Approval Process

**Send Course Addition/Revision- Approval Request form (attachment 4)
to the technical college.**

If OJT is included, attachment 3 will be required once the training has been completed.
(See attachment 3 for instructions).



The technical college will review and sign off on the course addition/revision.

The technical college will submit it to the SBTCE.



SBTCE will review and the approval will be sent to the company and college.

**Enterprise Zone Course Addition/Revision - Approval Request
(Attachment 4)**

To: Larry Lindsey
803-463-5863
lindseyl@sctechsystem.edu
Enterprise Zone Retraining

From: Technical College
(Technical College Enterprise Zone Contact)
Phone Number
Email Address

RECOMMENDED ADDITION TO APPROVED ENTERPRISE ZONE TRAINING PLAN

Company Name:
Address:
Send Approval To:
Email Address:
TR (Track Number):

- **Course Title:** *List the course title for the short-term or long term training program.*

- **Training Provider:**

Technical College

Company

Vendor

OJT (requires attachment 3)

(Note: Prior to implementation of on-the-job training, submit this form along with a revised training plan. The training plan should define learning objectives, learning activities and methods of assessment to determine that learning outcomes have been achieved. At the conclusion of each training, submit attachment 3 which includes the roster and training timeframes (beginning and ending dates).

- **Estimated Number of Contact Hours:** *List the number of contact hours for the training program.*

- **Course Description:** *Briefly describe the course that is being provided.*

- **Training Modules/ OJT Task List:** *List the titles of each learning module or OJT task list being provided in the course.*

Enterprise Zone Course Addition/Revision - Approval Request - *Continued*
(Attachment 4)

- **Core Learning Competencies/Outcomes:** *List the measurable core learning competencies/outcomes for the course. What will the student be able to do at the end of the short-term or long-term course?*

- **If the Technical College is not providing this training, please explain:**

- **Estimated number of eligible employees:**

- **Estimated course cost:**

- **Justification:** *How does the training qualify?*

This addition is approved by:

_____ **Date:** _____
Company Representative

_____ **Date:** _____
Technical College Representative

_____ **Date:** _____
SC Technical College System

ENTERPRISE ZONE RETRAINING PROGRAM ANNUAL REPORT

Enterprise Zone Participating Company:

Legal Name: _____

DBA Name: _____

Name on Retraining Agreement: _____

Federal Tax ID: _____

SC Withholding Tax ID: _____

Project Number TR: _____

Company Contact Information:

Name: _____

Phone Number: _____ Email: _____

Enterprise Zone Retraining Credits Company Claimed During Reporting Period

(EZ credits claimed on quarterly payroll tax reports and received as refunds during current reporting period)

Year	Quarter	Original Amount Claimed by Company	Final Amount Claimed by Company <i>(including amendments)</i>	Date Amended	Reason(s) for Amendment
	1	\$	\$		
	2	\$	\$		
	3	\$	\$		
	4	\$	\$		
Total:		\$	\$		

Total cost of eligible retraining courses: _____

Total number of eligible employees retrained: _____

In all material respects and to the best of our knowledge and belief, the information contained herein is accurate and complete, as indicated by our signature below.

Printed Name: _____ **Title:** _____

Signature: _____ **Date:** _____

Company Assertions Regarding Compliance - Enterprise Retraining Program

For Period beginning January 1, 2015 and ending December 31, 2015

Enterprise Project Number TR _____

I, _____, an authorized representative of _____ (the "Company"), do hereby make the following assertions regarding Enterprise project number TR _____ (the "Project") and the Company's participation in the Enterprise Zone program and its compliance with the Section 12-10-10 et. al. of the South Carolina Code of Laws 1976, as amended, and the policies and guidelines of the State Board for Technical and Comprehensive Education (the "SBTCE"):

1. The Company is the entity that submitted the Retraining Application to the SBTCE. **Alternatively**, the Company is a successor to the original business that entered into a Retraining Agreement with the SBTCE; the agreement has been assigned to the Company; the Company has assumed all obligations and responsibilities under the agreement; the SBTCE has been advised of the change in ownership and the new and correct FEI and SC Withholding file numbers for the Company; and the SBTCE has consented to the change of ownership.
2. The Company maintains a record-keeping system that achieves the reporting requirements of the program.
3. Throughout the audit period, the Company claimed Enterprise retraining credits only for eligible employee types: first line supervisors, production and technology intensive employees and technicians who maintain the productive equipment.
4. During the audit period, the Company claimed retraining credits only for eligible courses that were included and approved on our original plan, or added later as course additions, and only after receiving approval by both the designated local Technical College and the SBTCE.
5. **If** the Company claimed credits for retraining performed by in-house Company personnel, the Company requested and received approval for this in-house retraining from both the local Technical College and the SBTCE before any credits were claimed. Also, the Company has maintained files that document the in-house retraining, including course plans and approvals, course outlines, course training objectives, attendance rosters & sign-in sheets, and grades for participants.
6. During the audit period, the Company did not exceed the \$1,000 per eligible employee, per year, maximum.
7. When combined with credits claimed during previous years of the Retraining Agreement, the Company did not exceed the cumulative \$5,000 per eligible employee, per 5 years, maximum.
8. During the audit period, the Company did not claim any more than one dollar of total retraining costs for every one dollar and fifty cents spent for retraining eligible employees and can document all expenses.
9. The Company did not claim retraining credits for any positions covered by an Enterprise Zone preliminary or final Revitalization Agreement, and it did not "double dip" with respect to any employee or position.
10. The Company properly calculated total course cost as: a) the total cost paid to the designated local Technical College, b) the total cost paid to a third party for actual training delivery, training materials and/or facilities, or c) hourly gross wages, excluding fringe benefits, for company personnel performing training, plus training materials.
11. The Company did not include any entertainment or other non-eligible items in the total cost calculation for any eligible course.
12. For in-house training performed by company personnel, the Company did not include any of the following: wages for trainees or wages for administrative time spent updating employee records.
13. For in-house training, the Company properly calculated cost per participant as the proper total cost, divided by the **total Number of people attending the course**, and **not** by the number of eligible people attending the course.
14. After October 1, 2001, the Company did not claim retraining credits for any job-specific training for new hires, meaning the Company did not claim credits for any initial training necessary before a newly hired employee could be left alone to independently perform the job they were hired to fill.
15. **If** the Company's retraining plan expired during the audit period, and a new plan was approved, no credits were claimed during any lapse between the end of the original plan (training plan begin date plus 5 years) and the start of the new plan. Combined, credits claimed under both plans did not exceed the annual and 5-year maximums.
16. The Company has complied with all of the relevant statutes and regulations regarding the Enterprise Zone Retraining Program.

Signature: _____ Date: _____

Printed: _____

CONTACTS

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APPENDIX

Export Employee -- An “export employee” enables the company to export or increases its ability export its products. For retraining purposes, this can include logistics, regulatory, and administration areas connected to the company’s export process and that allows a qualified company to maintain or expand its business in this State.

First Line Supervisor of Production and Operating Workers – A first-line supervisor directly supervises and coordinates the activities of production and operating workers, such as inspectors, precision workers, machine setters and operators, assemblers, fabricators, and plant and system operators.

Full-time employee-- "Full-time" means a job requiring a minimum of thirty-five hours of an employee's time a week for the entire normal year of company operations or a job requiring a minimum of thirty-five hours of an employee's time for a week for a year in which the employee was hired initially for or transferred to the South Carolina facility.

Manufacturing- The process of fabricating, producing, or manufacturing raw or unprepared materials into usable products, imparting new forms, qualities, properties, and combinations. Manufacturing does not include generating electricity for off-time consumption.

Processing facility- A “processing facility” is an establishment that prepares, treats, or converts tangible personal property into finished goods or another form of tangible personal property. The term includes a business engaged in processing agricultural, aquacultural, or maricultural products and specifically includes meat, poultry, and any other variety of food processing operations. It does not include an establishment in which retail sales of tangible personal property are made to retail customers.

Production Employee -- A “production employee” is defined as an employee “that is directly engaged in the actual making of tangible personal property or is directly involved in the manufacturing and processing facility.” Interpretation of a “production employee” includes the production line employees, first-line supervisors, and equipment/maintenance technicians.

Remain Competitive – To “remain competitive” means specific training that will have a documented end such as increasing the efficiency factor, gaining new skills, enhancing the skills of the employees to take existing equipment to a higher productivity level, acquiring new equipment, or implementing new products or processes.

Research and development facility- A “research and development facility” is an establishment engaged in laboratory, scientific, or experimental testing and development related to new products, new uses for existing products, or improving existing products. The term does not include an establishment engaged in efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, banking, or research in connection with literary, historical, or similar projects.

Retraining agreement – A “retraining agreement” means an agreement entered into between a business and SBTCE in which a qualifying business is entitled to retraining credit pursuant to Section 12-10-95.

Retraining credit – A “retraining credit” means the amount that business may claim as a credit against withholding pursuant to Section 12-10-95 and the retraining agreement.

Technology Employee – A “technology employee” is defined as an employee at a technology intensive facility who is directly engaged in the design, development and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge at a technology intensive facility.

Technology Intensive Facility -- A “technology intensive facility” is defined as a firm engaged in the design, development, and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge. [Section 12-6-3360M(14)] Included in this definition are the following North American Industrial Classification System (NAICS) codes published by the Office of Management and Budget of the Federal Government:

- Database and Directory Publishers- NAICS Code 5114
- Software Publishers- NAICS Code 5112
- Computer Systems Design Services & Related Services- NAICS Code 54141
- Custom Computer Programming Services- NAICS Code 541511
- Space Research and Technology- NAICS Code 9271
- Research and Development in the Physical, Engineering and Life Sciences- NAICS Code 541712 (2007)
- Data Processing, Hosting, and Related Services- NAICS Code 518210
- Facility primarily used for one or more activities NAICS Codes 51811 (2002)
(Internet Service Providers and Web Search Portals)